



DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION



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IOWA, CHICAGO & EASTERN RAILROAD CORPORATION

Kevin V. Schieffer

President & Chief Executive Officer

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GENERAL COUNSEL
U.S. SURFACE TRANSPORTATION
BOARD
2006 MAY - 8 P 2:08

1 May 2006

Ms. Evelyn Kitay, Attorney
Office of General Counsel
U.S. Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Dear Ms. Kitay:

This is in further reference to my letter dated 26 April 2006. I have since that time reviewed the site-specific mitigation for Pierre (number 138) and Brookings (numbers 142 and 143), and am writing to confirm that all three site-specific conditions can be eliminated without having any impact on the agreements we entered into with those communities, and without creating a concern in those communities.

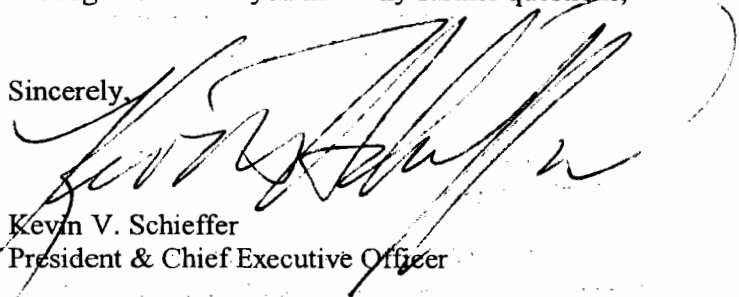
Number 138 references an overpass "at Sioux Avenue or another mutually acceptable location". Our agreement refers to the "Highway 34 at the S-curve location". As can be seen from the attached aerial photo map, Highway 34 is known as Sioux Avenue before it turns into the "S-curve" location for the grade separation. The "S-curve" location may not be on Sioux Avenue as a technical matter (though I suspect that may be what was intended by the mitigation condition). In any event, however, I can assure you that the S-curve location is indeed the "mutually acceptable location" preferred by Pierre.

Concerning the Brookings site-specific mitigation, you will see that the agreement at paragraph 3 makes clear that the agreement is "in lieu of any STB-ordered ... mitigation or conditions", which of course addresses the site-specific mitigation.

Beyond that, as earlier noted, the intent of each of these three agreements is that they constitute the "Negotiated Agreements" referenced in the Board's mitigation. That has implications beyond the site-specific mitigation – though as I understand it the STB order is already clear in that regard and does not need further modification. All of the community agreements (both pre- and post-approval), for example, eliminate the need for wayside noise mitigation (which is not referenced in the site-specific mitigation section). Our understanding is that the only conditions you intend to eliminate are the three site-specific conditions referenced above.

I hope this helps address your inquiry in this regard. Should you have any further questions, please do not hesitate to call.

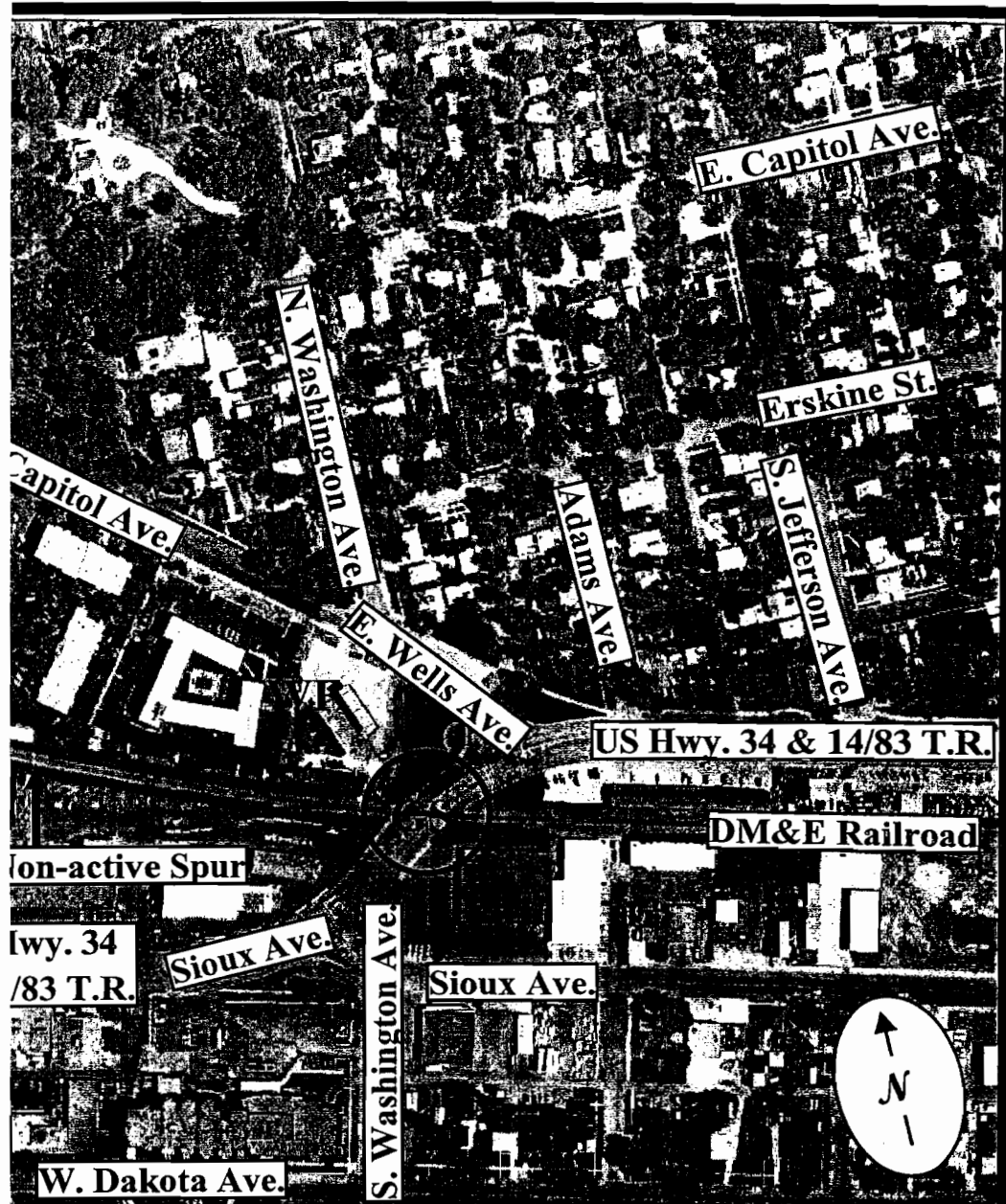
Sincerely,


Kevin V. Schieffer
President & Chief Executive Officer

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C: Victoria Rutson, Chief, Section of Environmental Analysis

Enclosure



Pierre, SD
DM&E